GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3011
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PRICES OF DRUGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the measures taken by the National Pharmaceutical Pricing Authority to check the prices of drugs under the Drugs Prices Control Order;

(b) the number of cases where prices rose beyond the permissible limits; and

(c) the impact of price rise on supply and production of drugs in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI B.K. HANDIQUE)

(a) to (b) : The 74 bulk drugs specified in the First Schedule of the Orugs (Prices Control) Order, 1995 (OPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. During the last three years (2005-06 to 2007-08) NPPA has approved 194 cases of price fixation of Scheduled drugs out of which in 25 cases the prices were increased and in 160 cases prices were reduced. In the remaining cases either the prices were fixed for the first time or no change in the prices were noted. The price fixation/revision of the Scheduled medicines is a continuous process under OPCO, 1995.

Prices of non-Scheduled drugs are fixed by the manufacturers themselves keeping in view the. various factors like cost of production, marketing/selling expenses, R&O expenses, trade commission, market competition, product innovation, product quality etc. The Govemment takes con-ective measures where the public interest is found to be adversely affected. 566 cases of price increase beyond the permissible limits were reported in the case of non- Scheduled formulations, out of which, NPPA has fixed price in case of 27 formulations under para 10(b) and companies have reduced price voluntarily in case of 60 formulations.

(c): NPPA regularly monitors the prices and availability of the drugs in the country and wherever required, con-ective action is taken in the matter.